

**Managed Risk Medical Insurance Board  
HFP Advisory Panel Meeting  
May 6, 2008  
West Sacramento, California**

**Members Present:** Jack Campana, Martin Steigner, DDS, Steven Tremain, M.D., Tawnya Soden, Takashi Michael Wada, M.D., MPH, Elizabeth Stanley Salazar, Ronald Diluigi, Barbara Orozco-Valdivia, Ellen Beck, M.D., Karen Lauterbach

**MRMIB Staff:** Irma Michel, Janette Lopez, Shelly Rouillard, Susan Williams, Angelica Marron

**Introduction**

Jack Campana, Healthy Families Program (HFP) Advisory Panel Chair, opened the meeting by introducing himself and asking the panel members, staff and the audience to introduce themselves.

Mr. Campana announced that there were two subscriber vacancies and potentially a third vacancy for panel membership. He stated that the announcements for these vacancies were going to be placed on the MRMIB website. Mr. Campana also stated that in an effort to obtain candidates for a special needs subscriber, announcements were sent in early April to parents of children in California Children Services (CCS) in counties surrounding Sacramento. Additionally, he mentioned that MRMIB is working with Department of Mental Health to obtain a list of subscribers whose parents might serve as a subscriber with a special needs child. There were some concerns regarding if the subscriber needed to be enrolled for a certain amount of time before being eligible to sit on the Advisory Panel. Ms. Michel, Acting Deputy Director of the Eligibility, Enrollment and Marketing Division for the MRMIB, confirmed that the only requirement for a person to sit on the panel is that they have to have a child currently in the HFP.

Ms. Lopez, Chief Deputy Director for the MRMIB, stated that the panel is looking for a parent with a special needs child to get a broad perspective of what our subscribers need. Ms. Lopez also stated that MRMIB looks for candidates by obtaining leads from CCS or mental health.

## **Appointment of HFP Advisory Panel Member**

Ms. Michel swore in Martin Steigner, DDS, a licensed practicing dentist, to fill the panel vacancy for a pediatric dentist. A member of the California Dental Association acknowledged Mr. Steigner's appointment by mentioning that he is a dedicated and amazing advocate for children.

## **Review of Summary**

The panel made a motion to approve the January 1, 2008 Healthy Families Program (HFP) Advisory Panel Meeting Summary with one correction requested by Mr. Campana. He wanted to specifically add during the discussion on the California budget shortfall on page 3 that "the reason for the deficit for the California state budget is the slow down of the economy."

## **Budget Update**

Ms. Michel reported that MRMIB staff testified at the budget hearings held in the Senate on April 7 and April 16, 2007, but no action was taken. The Governor will present a revision to his budget proposal on May 14, 2007. Ms. Lopez stated that she testified in these hearings regarding the Governor's proposed changes to premiums, co-pays, and health plan rates.

The panel asked if the premium increase was for sure. Ms. Lopez responded that the premium increase is in the Governor's proposal. Ms. Lopez also mentioned that there are many things in the proposal that required a statutory authority by March 1<sup>st</sup>, in order to implement in July. Ms. Lopez assured the panel that the reductions will not go into effect until 4.5 months after the final 08-09 budget is signed.

The panel asked if open enrollment was delayed. Ms. Lopez acknowledged that the board decided to delay the open enrollment process until the budget is signed, rather than holding 2 open enrollments periods.

The panel asked if there was a timeline for when the lawsuit against the budgets cuts will move forward. Ms. Lopez responded by clarifying that the lawsuit was filed against Medi-Cal, not HFP. She is unaware of the timing other than what is written in the papers. Shelley Rouillard, MRMIB's Deputy Director of the Benefits and Quality Monitoring Division, also wanted to clarify that the Governor proposed a 10% cut to Medi-Cal plan rates and a 5% cut to HFP plan rates.

Commenting on the consequences of the HFP plan rate cuts, Ms. Lopez stated that plans will stay with HFP, but there will likely be modifications made to some plans. She also mentioned that some plans may no longer be available in some areas, but HFP will make sure to have at least one plan available in each area. Ms. Lopez also stated that for some plans to decide to stay with the HFP, it may change their provider networks. This could result in the HFP network becoming more similar to the Medi-Cal network.

Ms. Lopez wanted to clarify that cutting Medi-Cal plan rates will impact the HFP because many of the plans participate in both Medi-Cal and HFP which means there is a cumulative effect of both cuts on the plans.

## **State Legislative Update**

Ms. Michel reviewed the state legislative bills that MRMIB has been following.

## **Federal Budget, Legislation and Executive Branch Activity**

### **US Senate Finance Subcommittee on Health Care Hearing: “Covering Uninsured Children: The impact of August 17<sup>th</sup> CHP Directive”**

Ms. Lopez stated that the CMS delayed its response to New York’s state plan amendment to expand its SCHIP and then eventually denied the amendment. The federal government’s basis of the denial was the August 17, 2007 CMS SCHIP directive. New York has filed a lawsuit claiming that CMS exceeded its authority by issuing the August 17, 2007 directive. New York was joined by Maryland and Illinois in the lawsuit. Since New York will go to 400% with or without federal funding, New Jersey filed their own lawsuit. California is at 250% and has filed an amicus (friend of the court) brief in the New York lawsuit supporting New York’s contention.

Ms. Lopez also said that during an April 9<sup>th</sup> Senate Committee on Finance hearing, Senator Rockefeller expressed concern that CMS is creating barriers to covering eligible uninsured children. At the hearing, Dennis Smith, CMS Director, testified in support of the directive he issued on August 17, 2007. He resigned two days later. Mr. Smith addressed the following: The State Children’s Health Insurance Program (SCHIP) is not designed to cover all uninsured children. The requirement that states cover 95% of uninsured children with incomes at 200% FPL or below, he considers ambitious but achievable. He indicated that based on CMS’ analysis of CPS data, nine states already meet the standard, including California. Mr. Smith also stated that states have an option to expand their State Children’s Health Insurance Program (SCHIP) as they wish using state only funds.

An audience member stated that this may force some states to change rules depending on family situations. The SCHIP has reduced the number of uninsured children and crowd out is inevitable. Many are concerned about the federal administrations’ definition of “uninsured children” because it requires that a child be uninsured for a whole year.

Audience members expressed their concerns regarding the crowd out. Mr. Campana stated that this information should be more than enough to override a veto and asked what the panel can do to make the Senate go along with the House. Ms. Lopez stated that the Senate is concerned about a presidential veto again. She stated that the Senate expected a veto and so took the SCHIP provisions out of that bill. The panel asked if the provisions that are in the bill would satisfy California. Ms. Lopez stated that she cannot speak for the Board, but did not believe that these provisions work.

## **Update on Encounter Database Project**

Ms. Rouillard stated that legal documentation needs to be in place with the plans before they can begin submitting encounter data. However, MRMIB and Maximus are working on that documentation. She said MRMIB has been having regular phone conferences with Maximus and the plans. Maximus has been doing quality checks and has developed a list of frequently asked questions (FAQs) submitted by the plans. MRMIB had planned on being able to test the system this month and beginning to collect monthly encounter data from plans in September, but it is more likely to be at the beginning of the year when plans begin submitting the encounter data.

An audience member asked if any data is obtained from CCS. Ms. Rouillard replied that staff is working on getting actual CCS claims data on HFP children and is hoping to combine that data with the plans' encounter data.

## **Update on Phase II and III Mental Health/ Substance Abuse Evaluation**

Ms. Rouillard stated that the contract with the evaluator previously awarded had been terminated. However, discussions have begun with another company that bid on the contract. Ms. Rouillard anticipates that there will be a new contract in place by June 30, 2008. The panel asked how long the first contract had been in place. Ms. Rouillard stated that the board approved the contract in July 2007 and the contract has been in place for about three months.

## **Reports of Interest**

Ms. Michel gave a review of the Enrollment and Single Point of Entry (SPE) Report. Mr. Campana asked if MRMIB had looked at ethnicity to see if there is any data for mixed families. He wanted clarification of what happened in January. Ms. Lopez responded by reminding everyone of the southern California wild fires that kept children enrolled for an additional two months. The accumulation of enrollment and disenrollment that occurred in December was a result of families affected by fires.

Ms. Michel gave a review of the Administrative Vendor Performance Report. Maximus continues to meet all their requirements. Mr. Campana stated that problems have decreased in Maximus. The audience stated that there was a problem that Certified Application Assistants were having when they tried to speak on behalf of families to get updates at MAXIMUS. Ms. Michel stated that the new application caused some confusion. During the training for the new revised application, it was clarified to HFP staff that case information is not to be released to CAAs after the final disposition of the case (i.e, approved, denied, AE granted). This policy is stated on both the AR Forms and the revised joint application and is consistent with the practice of the staff at the HFP call center.

Ms. Michel reviewed the Enrollment Entities/ Certified Application Assistant Reimbursement Report and stated that for the month of March 2008, over half a million

dollars has been paid to EEs for application assistance. In the month of March, 230 new CAAs were trained compared to 145 CAAs in February.

Ms. Michel reviewed the 2006 Retention Report for HFP. HFP achieved an 80% retention rate after one year. This is the best, compared to other states. There have been improvements because people are returning their documents and paying premiums. About 6% of families who are no longer in the HFP are those who don't think they qualify or those that have moved without letting the program know their new address. Ms. Michel stated that trying to reduce these types of disenrollments led staff to making many administrative changes over the past years to simplify the annual renewal process. Ms. Lopez stated that the impact of those changes is that more families are predetermining themselves that they may qualify now. Dr. Beck stated that the CAAs are doing great and asked if the panel could conceive of a role for a CAA who keeps a list of those signed up in the HFP in a year and at the end of the year see how many of those children are still enrolled. It was mentioned that in Los Angeles County there are agencies that maintain a list and there is a centralized database system. However, families drop off the radar; they move, telephone numbers change, etc. It was stated that currently there is a way for the database system to inform HFP when people are coming up for renewal so they can be contacted beforehand. Ms. Lopez stated that MRMIB has a county specific report with the Annual Eligibility Reviews (AER) results and with this report it is possible to determine retention rates by county and by month.

Ms. Michel reviewed the revised Joint Medi-Cal and Healthy Families Mail-in Application. The changes made to the new application include: the reading level has been reduced from a 10<sup>th</sup> grade to a 7<sup>th</sup> grade level; a checklist of the documents needed; and the opt-out option has been removed. Therefore, if an applicant is not eligible for HFP, the application will be forwarded to the County Welfare Department (CWD). The application also asks if there are children in the household who are disabled and includes frequently asked questions (FAQs) section. An audience member asked if there have been any discussions regarding the frequently asked question "If their child was presently in CCS"; often children who come to the health plan have an existing CCS case. Ms. Michel's replied that the question used to be on the application when it was longer. However, the question was one of the questions that were eliminated in order to narrow the application down to four pages.

Ms. Rouillard reviewed the Report on Immunization Practices in the Healthy Families Program. She acknowledged Jaime Yang, MRMIB staff, who put together the report. She mentioned that both Blue Shield and Anthem Blue Cross told the Board that they would work to improve their immunization rates.

Ms. Rouillard reviewed the regulations clarifying coverage of lead screening. The new regulations specifically identify and clarify that screening for lead poisoning is a preventative exam and is covered under the HFP. She also mentioned that advocates are working to increase awareness about the dangers of lead poisoning in hopes of strengthening California law.

Mr. Campana announced the next meeting would be on August 5, 2008 and the meeting was adjourned.